expenditure has been restrained. Attention is also drawn to paras 10 & 11 of Finance Minister's speech while presenting the budget for the year 2000-01, wherein numerous steps to contain fiscal deficit proposed to be taken/ being taken by the Government are detailed.

(d) Government has constituted an "Expenditure Reforms Commission' with the mandate to suggest ways and means to reduce Government expenditure.

**Changes suggested by 11th Finance Commission in budgeting of State Plans**

5429. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsreport appearing in the Lok-Mat Times dated the 27th March, 2000 under the caption Finance panel moots change in plan budgeting.

(b) if so, the details of radical changes suggested by the 11th Finance Commission in budgeting of State plans, restructuring of Government finances and restoration of fiscal health of State finance;

(c) if so, what is the reaction of Government to the recommendations made; and

(d) the details of action taken/proposed to be taken thereon alongwith the reaction of the State Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) The Eleventh Finance Commission have stated in their interim report that the scheme of restructuring of State Governments finances to restore the fiscal balance will be suggested in their final report.

(c) and (d) Does not arise.

**Income tax raid on industrial houses**

5430. SHRI GOPALSINH G. SOLANKI: Will the Minister of FINANCE be pleased to state:

(a) whether Income Tax department had raided fertilizer, power, petroleum and other private industrial houses in Delhi, Mumbai, Hyderabad, Bangalore during the last six months;

(b) if so, the details thereof;

(c) whether the said houses had hidden their illegal documents elsewhere during these raids;

(d) whether crores of rupees of Income tax are outstanding against the said big industrial houses; and

(e) what steps have been taken by Government to expedite recovery of outstanding Income tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) to (c) The Income tax department has conducted search actions in respect of companies dealing with power, fertilizers and other private industrial houses in Hyderabad and Mumbai region during the last six months. The details are mentioned in the enclosed Statement (*See* below).

(d) and (e) Arrear demand aggregating to Rs. 2938.32 lakhs is outstanding against the above mentioned industrial houses. Recovery of tax is an on-going process, involving the use of various statutory provisions. These include charging of interest, levy of penalty, attachement and sale of movable and immovable properties etc. Periodical reviews and monitoring of cases involving high demands are made by authorities on a continuous basis and necessary insturctions are issued from time to time for effecting the recovery of taxes.

STATEMENT

| Region | Sector | Name of case | Date of search | Total seizure effected (Rs. in lakh) |
|---|---|---|---|---|
| Hyderabad | Power | Renewable Energy Systems Ltd. | 22.3.2000 | 24.50 |
| | Fertilizers | Nagarjuna Fertilizers & Chemicals Ltd. | 26.11.1999 | Nil |
| | Other Private Industrial units | (i) Nagarjuna Finance Ltd. | 26.11.1999 | Nil |
| | | (ii) Videocon International Ltd. | 22.3.2000 | Nil |
| | | (iii) Videocon Appliances | 22.3.2000 | Nil |
| Mumbai | Other Private Industrial units | (i) Sterlite Industries Ltd. | 8.12.1999 | 25.53 |
| | | (ii) Zandu Pharmaceuticals Ltd. | 7.12.99 | 34.49 |
| | | (iii) Lupin Labs Ltd. | 22.2.2000 | 26.08 |